

C O N F I D E N T I A L

DIS/AV
85-3039

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30 AUG 1985

MEMORANDUM FOR: Inspector General

VIA: Deputy Director for Administration

FROM: Henry P. Mahoney
Director of Logistics

SUBJECT: Equipment Standardization 45-5

REFERENCE: Memo fm IG dtd 8 Aug 1985, Same Subject

1. I was somewhat disappointed in receiving notification that an anonymous complaint was registered with your office concerning the 10 July 1985 approval of standardized items submitted by the Office of Communications (OC). If the complaint originated with an Office of Logistics (OL) employee, I am particularly disturbed that the individual did not raise his/her concerns with any level of OL management.

2. While the written record may not sufficiently reflect justifications for the action, the matter was thoroughly discussed by representatives of OL and OC. In fact, our senior procurement officers did request (and receive) additional, required information from OC. I can assure you that my approval was granted after the request was reviewed by the Acting Chief, Procurement Management Staff and by the Chief, Logistics and Procurement Law Division. We were advised that these standardized items were essential to the operation of OC's worldwide network and its redundancy requirements. We were also informed that most of the items which were approved are legitimately sole source in nature because of OC's unique requirements. Further, OC has determined that the complexities of their provisioning and maintenance programs in support of worldwide operations make it mandatory to limit the makes and models of equipment to be used. Under these circumstances, benefits derived from the standardization approval are in the public interest as the determination and findings so state.

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SUBJECT: Equipment Standardization

3. You should be aware that OC, many months ago, was requested by OL to provide a list of standardized equipment in order to establish the basis for an organized standardization program for that office. You should also be aware that a similar approval was granted by my predecessor in February 1983 as a result of procurement actions brought to the Agency Contract Review Board (ACRB). These activities are, I believe, in line with the intentions of the Executive Director who asked us to look into an expansion of our standardization efforts.

4. I am informed that discussions did indeed occur regarding the requirement to coordinate the request for standardization with other directorates using the same equipment. Since many of the items were unique to OC, it was not considered worthwhile to coordinate with other components.

5. My approval of OC's request does not, of course, preclude review by the ACRB. Each individual OC request to procure these items in amounts of \$500,000 or more will be reviewed by the ACRB in accord with its charter.

6. Because of our own concern regarding the perceived notion of blatant waste, fraud, or abuse, I have requested that OC document all of the justifications which it has already conveyed orally. Finally, even though the ACRB will act on any significant individual procurement actions of items on the OC's standardized list, the entire issue was discussed by that body on 13 August 1985, and they voiced no objection to the approval of OC's standardized list.

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Henry P. Mahoney

cc: D/OC
AC/PMS/OL
C/PD/OL
C/L&LPD/OGC

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SUBJECT: Equipment Standardization

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DD/L  **(30 Aug 85)**

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